

**COMMITTEE ON GOVERNMENT REFORM
SUBCOMMITTEE ON ENERGY AND RESOURCES**



***OPENING STATEMENT OF
CHAIRMAN DARRELL ISSA
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Energy drives the US and world economies. Our prosperity and way of life are sustained by energy use. Affordable, reliable, and sustainable energy supplies are essential to our national security and maintaining our global commitments.

Higher global demand for energy, particularly oil, has led to disturbing developments. As more nations become increasingly dependent on imports to meet their needs and as the world approaches full oil production capacity, countries such as China are becoming more aggressive in pursuing energy agreements, often with governments unfriendly to the US. State-owned energy companies are becoming more assertive on the international market, creating an additional concern because of the lack of transparency in their contracting operations. New alliances and developments indicate a shift in energy geopolitics.

Domestically, continuing high oil and gas prices are impacting families and businesses, and could seriously affect our economic growth. Unlike other periods of price volatility over the last 30 years, today's period of price volatility is demand-driven. Because it is demand-driven, there is no person or group to blame for today's prices. To a certain extent we are victims of our own success, in that worldwide economic growth and development are raising living standards but also dramatically increasing energy consumption.

In the second week of his Administration in 2001, with leadership and foresight, President Bush established the National Energy Policy Development Group and charged the group to develop recommendations for a national energy policy. Based on these recommendations, in the last Congress the House and Senate each passed an omnibus energy bill, but a reconciled bill was not enacted.

It is now clearer than ever that we must adopt a comprehensive national energy policy and establish a long-term strategy to ensure the security of our economy and of our national interests. At the minimum, such a policy must expand domestic opportunities for production of traditional and non-traditional sources of energy while expanding conservation and efficiency efforts.

Today we will conduct a frank assessment of energy's role in our national security. We look forward to hearing from our distinguished panel.

We are pleased to have:

- The Honorable Clay Sell, Deputy Secretary of the Department of Energy. Secretary Sell previously served as Special Assistant to the President for Legislative Affairs with an emphasis on energy, Special Assistant to the President for Economic Affairs, and staff Director of the Senate Energy and Water Development Appropriations Subcommittee.
- The Honorable James Woolsey, former Director of the Central Intelligence Agency and a Commissioner to the bipartisan and nongovernmental National Commission on Energy Policy. He is currently a Vice President at Booz Allen Hamilton. His extensive Administration experience also includes time as Under Secretary of the Navy, General Counsel to the Senate Armed Services Committee, and as delegate and advisor for diplomatic talks to reduce conventional and strategic arms in Europe.
- Ambassador Robert Hormats, Vice Chairman of Goldman Sachs International. Ambassador Hormats served in a number of Administrations, holding the positions of Deputy US Trade Representative, Assistant Secretary of State for Economic and Business Affairs, and Senior Economic Advisor to the National Security Council.
- Mr. Robert Ebel, Chairman of the Energy Program, the Center for Strategic and International Studies. In addition to extensive private sector experience in the energy sector, Mr. Ebel is an advisor to the US Department of State on energy and diplomatic issues. He also served with the CIA for 11 years and spent 7 1/2 years with the staff of the Office of Oil and Gas in the Department of the Interior.